

Court of Appeal  
Fourth Appellate District  
Division One  
San Diego

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PROJECT FEASIBILITY REPORT

SEPTEMBER 8, 2006



ADMINISTRATIVE OFFICE  
OF THE COURTS

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OFFICE OF COURT CONSTRUCTION  
AND MANAGEMENT

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I. EXECUTIVE SUMMARY

**A. Introduction**

This Project Feasibility Report for the proposed new Court of Appeal, Fourth Appellate District, Division One facility in San Diego has been prepared to support the Capital Outlay Budget Change Proposal (COBCP) submitted to the State of California Department of Finance (DOF). This report documents the need for the proposed facility, describes alternative ways to meet the underlying need, and outlines the recommended project.

**B. Statement of Project Need**

The Fourth Appellate District was established in June 1929. It currently serves six of the Southern California counties of San Diego, Imperial, Orange, San Bernardino, Riverside, and Inyo. As caseloads grew, the district was subdivided further into geographic divisions. After the divisions were established, the service area of Division One was revised to serve San Diego and Imperial Counties.

The court is currently authorized 10 justices. Based on estimated filing growth, the Task Force on Court Facilities<sup>1</sup> projected a future need for 12 justices to serve Division One of the Fourth Appellate District.

The court is currently located in leased space in a building that, when constructed, was not intended for use as an appellate court.

**C. Options Analysis**

This economic analysis explores the cost benefits of continuing to lease or to build a new state-owned facility. For the purpose of this study, five delivery methods that meet the court's needs were developed and estimated:

- Build a new facility financed through the general fund
- Continue leasing in the current location
- Lease in another location
- Build a new facility through a developer lease-purchase option
- Build a new facility financed through lease revenue bonds

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<sup>1</sup> The Lockyer-Isenberg Trial Court Funding Act of 1997 (Assembly Bill 233 [Escutia and Pringle]) was passed by the California Legislature on September 13, 1997, and signed into law by Governor Wilson on October 10 the same year. The act transferred responsibility for funding trial court operations from the counties to the state. The Task Force consisted of 18 members appointed by the Governor, the Chief Justice of the Supreme Court of California, and the Legislature. Under the act, the California Judicial Council was required to provide the Task Force with staff support. Under the direction of the Administrative Office of the Courts and the Task Force, the team of DMJM/Spillis Candela, in association with Justice Planning Associates and the Vitetta Group, completed *Phase 4 Survey, Inventory, and Evaluation*. The final report was titled *Evaluation and Plan for Supreme Court and Courts of Appeal*, October 1, 2001.

Based on the financial analysis, the most cost-effective alternative is to construct a new facility through a capital outlay project funded with state general funds. This alternative has the lowest estimated cost, provides the state the capital assets from the site purchased, improves security, meets the court’s space needs, and will express the level of the court’s importance to the community. This alternative has lower total costs, but higher initial cost to the state, which will pay the entire project cost within three years. By comparison, the total costs of the other alternatives are distributed throughout a longer period, making them more attractive in the short term even though they are more expensive in the long term.

A summary of estimated costs and net present value (NPV) is provided in Table 1. Estimated costs for the capital outlay project include construction and project costs. Costs for the lease projects include tenant improvement construction costs and annual lease costs, which escalate yearly. The developer-financed lease-purchase costs include annual lease costs based on the estimated project loan amount. The lease revenue bond project includes financing costs based on the same construction and project costs as the capital outlay project.

**Table 1  
Summary Total Estimated Cost—2007–2042**

	Alternative 1 Capital Outlay	Alternative 2 Existing Lease	Alternative 3 New Lease	Alternative 4 Lease-Purchase	Alternative 5 Revenue Bond
Estimated 50-Year Cost	\$67,408,000	\$125,716,850	\$131,915,486	\$145,303,344	\$108,715,938
Estimated Net Present Value (NPV)	\$62,514,257	\$69,800,092	\$75,112,095	\$81,493,078	\$70,786,367
NPV Percent of Total Cost	93%	56%	57%	56%	65%

**D. Recommended Option**

The recommended solution to meet the court’s facilities needs in the downtown San Diego area is to construct a new facility that will include one courtroom, justice chambers, attorney support space, central law library, court administration, clerk’s office, central staff offices, settlement conference center, security operations, and building support space. The proposed building will accommodate approximately 66,460 gross square feet.

The estimated project cost to construct the recommended project is \$67.4 million. This is based on a project of 66,460 gross square feet with 96 parking spaces on two underground floors.

For this project, 96 parking spaces are requested for justices and staff. Due to high land costs and limited land availability, these spaces will be provided at two underground levels below the building. An assumption has been made that staff will pay for parking in the building to offset the cost of constructing the space. Because the cost of constructing a parking structure is so high, parking for visitors will be available in nearby public parking structures. Site selection must be dependent on having available public parking and public transportation within walking distance of the selected site.

Preliminary project schedules have been developed assuming that funding is included in the 2007–2008 budget act and the site acquisition process is completed on schedule.

Proposed Project Schedule

Site Selection	July 2007–December 2007
Land Acquisition (including CEQA)	January 2008–January 2009
Preliminary Plans	January 2009–September 2009
Working Drawings	September 2009–June 2010
Construction	June 2010–February 2012

The impact of this project on the state’s general support fund budgets for FY 2007-2008 will not be significant. It is anticipated that this project will impact the state’s general fund budget in fiscal years beyond the current year as certain one-time costs and on-going operational costs are incurred. Staffing support costs that are contingent upon later approval of future justice positions will be addressed as necessary through separate support proposals and are not included in this analysis.

Based on the economic feasibility study prepared by the AOC and summarized in this report, the state is projected to spend approximately \$104.9 million if it were to continue leasing the existing location, with no expansion, by the end of the 2007-2042 analysis period. The existing lease calculation can be found in Table A-9 in Appendix A.

II. STATEMENT OF PROJECT NEED

**A. Introduction**

On November 8, 1904, article 6, section 4 of the California Constitution was adopted, creating the courts of appeal. The courts of appeal are California's intermediate court of review, and have appellate jurisdiction when superior courts have original jurisdiction, and in certain other cases prescribed by statute. They exercise mandatory review of any appealable order or judgment from a superior court, except death penalty cases over which the Supreme Court exercises mandatory jurisdiction.

The state is divided into six appellate districts, each containing a Court of Appeal with one or more divisions. Each division is headed by a presiding justice and has two or more associate justices. Typically, cases are assigned to a division and reviewed by a randomly selected panel of three justices. The First Appellate District is located in San Francisco. The Second Appellate District has offices in Los Angeles housing Divisions One through Five, Seven, and Eight. Division Six of the Second Appellate District is located in Ventura. The Third Appellate District is located in Sacramento. The Fourth Appellate District is subdivided into three geographic service areas. Division One is located in San Diego, Division Two in Riverside, and Division Three in Santa Ana. The Fifth Appellate District is located in Fresno and the Sixth Appellate District is located in San Jose.

The Fourth Appellate District was established in June 1929. It currently serves the Southern California counties of San Diego, Imperial, Orange, San Bernardino, Riverside, and Inyo. As caseloads grew, the district was subdivided further into geographic divisions. After the divisions were established, the service area of Division One was revised to serve San Diego and Imperial Counties.

**B. Justice Projections**

Population in San Diego County increased nearly 8 percent from 2000 to 2005<sup>2</sup>. Population in Imperial County increased 14 percent over the same period. As a result, the local trial courts caseload continue to increase which causes increases in the appellate court workload. Population in San Diego County is projected to increase by 59 percent from 2000 to 2050<sup>3</sup>. Imperial County population is projected to increase 136 percent over the same time period. In 2004-2005, Division One of the Fourth Appellate District disposed of 9 percent of the total state appellate caseload.

Each court of appeal has a presiding justice and associate justices. Division One currently has 10 assigned justices; based on estimated filing growth, the task force projected a need for 12 justices to serve Division One of the Fourth District.

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<sup>2</sup> State of California, Department of Finance, California County Population Estimates and Components of Change by Year, July 1, 2000–2005. Sacramento, California, March 2006.

<sup>3</sup> State of California, Department of Finance, *Population Projections by Race/Ethnicity for California and Its Counties 2000–2050*, Sacramento, California, May 2004.

### **C. Existing Facility**

The Court of Appeal, Fourth Appellate District is located in a leased facility at Symphony Tower LLC, 750 B Street, Suites 300, 380, 400, and 500, in downtown San Diego. The court currently occupies 43,042 rentable square feet (RSF) on the third, fourth, and fifth floor and has 12 reserved parking spaces; additional spaces are available for employees. Constructed in the late 1980's, the building is a class "A" commercial office building.

Security at the building is a concern. There are several access areas where the justices are exposed to the public. They currently park in reserved parking spaces in an area that is open to public pedestrian traffic and has reportedly been an area of concern for the California Highway Patrol, which provide security at appellate court facilities. The Administrative Presiding Justice reports that in the past, defendants have tried to obtain the exact location of the justices' vehicles although law enforcement has been able to prevent any threats from escalating.

To access their chambers, justices must use the same elevators as the public. Card readers have been installed to limit stops, however, the court reports weekly security breaches where unidentified people gain access to these secure floors when those with legitimate access inadvertently permit exit on the restricted floors. These breaches pose a significant danger to justices and staff.

The courtroom is located on the fifth floor with four sets of chambers; remaining chambers are located on the fourth floor. Administrative space and the clerk's office are located on the third floor. Because the justices use the public elevators and corridors, they must walk past parties, criminal defendants or more often their families, and attorneys in order to reach chambers and the courtroom.

Media representatives and their equipment further compound the difficulty in accommodating the public. The court does not have a media/press room where litigants and attorneys can speak to reporters. The spaces used for this purpose are in front of the fifth floor elevators or immediately outside of the courtroom and the justices' return path to chambers or the elevators is often blocked. This poses the problem of the justices being trapped by the media on cases that they have just heard and taken under submission for decision.

The space limitations in the current facility are problematic. The existing courtroom has a seating capacity of 50 people, which is often inadequate to accommodate the public and staff when the court hears high profile cases or large calendars.

The task force identified a total of 2,805 component gross square feet (CGSF) as "marginal" in the existing facility. The courtroom itself is 1,280 net square feet (NSF), substantially less than the 1,800 NSF as suggested in the *Appellate Court Facilities Guidelines*, adopted by the Judicial Council in July 2002. Other spaces evaluated by the task force were found marginal, based primarily on size, including support spaces and some staff spaces. The task force reported its findings in the report *Evaluation and Plan for Supreme Court and Courts of Appeal*, completed in October 2001. The task force estimated in 2001 that the court was operating with a shortfall of

20 percent, or 17,683 building gross square feet (BGSF), relative to adequate space. Currently the court is operating under the same conditions and amount of space.

The court has suspended its assigned judge program because there is no space available for a pro tem judge. This assigned judge program enabled trial court judges to take a temporary assignment at the Court of Appeal to assist with pending caseloads. The program successfully reduced the non-priority civil case backlog. Without adequate space to accommodate visiting superior court judges and assisting staff, the program has been suspended indefinitely.

The court does not have adequate space to accommodate currently unfilled, attorney positions without further impacting the limited space available to accommodate law students who participate in the Extern Program. This program prepares law students for appellate work, and assists the court in its processing of cases by utilizing their developing skills in researching cases and drafting proposed opinions. The court regularly limits the size of extern classes due to the lack of physical space to reasonably accommodate them.

The facility may not be in compliance with the Americans with Disability Act (ADA). The restroom facilities are reportedly difficult to access by people in a wheelchair. The doors are heavy and the bathroom walls are angled making it difficult to enter or exit the restroom. The court recently spent local funds to purchase and install automatic door openers for restroom doors on the fifth floor near the courtroom. However, the doors on the third and fourth floors remain unmodified.

### III. OPTIONS ANALYSIS

#### **A. Introduction**

This economic analysis explores the cost benefits of continuing to lease or to build a new state-owned facility. The section examines the current and projected space requirements. For the purpose of this study, five delivery methods that meet the court's needs were developed and estimated:

- Build a new facility financed through the general fund
- Continue leasing in the current location
- Lease an alternate facility
- Build a new facility through a developer lease-purchase option
- Build a new facility financed through lease revenue bonds

The five alternatives were evaluated and the final cost was compared for a 30-year period.

#### **B. Alternatives for Meeting Space Needs**

The primary objective of this analysis is to compare alternatives to meet the future needs of the court. Five alternatives were evaluated based on their ability to meet the programmatic requirements and their economic value. The first option is to construct a state-owned facility; the second option is to retain and expand the existing lease space; the third option is to provide the space needed by means of a new lease in a different facility; the fourth option is to contract for a developer-financed lease-to-purchase facility; and the fifth option is to construct a new state-owned facility financed through preliminary planning with general funds with subsequent phases financed with lease revenue bonds.

For purposes of this analysis, the time frame 2007 to 2042 was evaluated for results that may indicate cost savings to the state in the long-term. The long-term analysis attempts to compare the final costs to what would be considered the life expectancy of a new building.

The alternatives presented typically do not have their costs uniformly distributed. The construction of a new facility will incur higher up-front costs than will the leasing options. With construction, the state will need to pay up-front for site acquisition, architectural and engineering services, and construction. Leasing up front costs will be lower; however, the overall lease costs may be substantially higher than the overall construction costs and at the end of the term provide the state with no capital return. The fourth option, to provide space through a developer finance lease-to-purchase project will also have lower initial costs. Experience shows that a developer can construct a building more quickly than the public sector. The shorter construction schedule will reduce cost escalation. A developer can also generally deliver the project at a lower overall cost due to tighter controls on the design consultants, however, in the long term; financing costs on a developer project will result in higher overall costs.

These are the five alternatives studied:

**Construct a new facility through the state’s traditional capital outlay delivery method.** This alternative analyzes the feasibility of constructing a new facility with the state managing and funding the project. The state would acquire a suitable site and complete all project phases through the traditional design-bid-build competitive bid process. Phases would include land acquisition, preliminary plans, working drawings, and construction.

**Continue to lease the existing facility.** This option will maintain the existing lease and provide any future space in the same location. This option assumes that future space will be available in the same building.

**Lease an alternative facility.** This alternative analyzes the feasibility of providing projected space needs in a single, new, leased location. The new location would be in downtown San Diego.

**Arrange a developer-financed lease-purchase of a new facility.** A lease-purchase made through a developer would allow the state to own the facility outright after a predetermined number of years (this study assumes 30 years). The state would select the potential site, and the developer would then purchase it and build a new facility according to AOC specifications. The project would be financed at a private-sector rate, which could be considerably higher than the interest rate available through a tax-exempt financing mechanism available if the state finances the building.

**Build a new facility financed through lease revenue bonds.** This alternative is a variation of the capital outlay option. The initial processes would be the same; the state would finance site selection, site acquisition, and preliminary planning with monies from the general fund. The construction document and construction phases would be financed by the sale of lease revenue bonds.

### **C. Analysis of Alternatives**

This section reviews the costs, advantages, and disadvantages of the alternatives. It is difficult to predict the economic environment in 30 years, so the following assumptions were made:

- It is understood that the actual results could change, depending on the economic environment, the court’s actual conditions, and when the actual solution is implemented. The estimates were done by applying current cost rates and using the best estimated projected cost rates.
- For calculating the lease analysis, a consistent consumer price index (CPI) was used for the entire time period. No market adjustments were included in the calculations except those already included in the existing lease contract. The CPI was kept consistent because of the difficulty of trying to predict the rentable rate through this long period of time. The market adjustments were designed to correct the lease rate and the CPI, depending on the economic climate of the area.

- For the purpose of calculating the cost analysis projections, a uniform inflation rate was used throughout the entire 30-year time study.
- The economic analysis is based on a conceptual cost estimate and on a hypothetical building; it does not represent a specific construction type, the use of specific building materials, or a predetermined design. The analysis is based on a series of set performance criteria required for buildings of similar type and specifications.
- The leased financial projection was done using the best information available to the AOC Office of Court Construction and Management Real Estate and Asset Management team when the research was completed in May 2006.
- The estimates do not include costs such as utilities and facilities maintenance. Each option will have similar operating and maintenance expenses.
- The best geographical location for the court continues to be in the downtown area in the City of San Diego.

The costs, advantages, and disadvantages of each option are described in the following section.

**D. Alternative 1: Construct a New Facility Through the State's Traditional Capital Outlay Delivery Method**

This alternative constructs a new facility for the court in downtown San Diego. With this alternative, the state would build a new facility financed by a capital outlay project paid for 100 percent from the general fund. The project cost estimate was completed to meet the court's projected space needs of 66,460 GSF.

The final cost by the end of the time period 2007–2042 is \$67.4 million. The total project cost includes site acquisition, architectural and engineering services, and the construction of 66,460 GSF.

This alternative requires front-end funding. In the long term, however, it turns out to be the least expensive of the five alternatives analyzed. One of the main reasons is that the state does not pay interest rates on projects funded through the General Fund. The other benefit for the state is that by building a facility it will own the asset. When those assets are considered in the overall cost to the state by the end of the 2042 period, the final cost is reduced significantly.

**Advantages:**

- Overall cost is lower than costs for all the other alternatives.
- Long term, the state saves money and will own the real property asset at the end of the project.

- Design process will ensure improved operational functionality for the court, including security requirements.
- Consolidates all the space in one location, saving on operational cost.
- Architecturally, it provides the highest control over the building design process and construction, resulting in a higher quality public building.
- The building design expresses the level of the court's importance to the community.

**Disadvantages:**

- The initial cost to the state is higher.
- The length of time needed to construct a new building is longer than would be needed to lease space.

**E. Alternative 2: Continue to Lease the Existing Facility**

The court currently occupies 43,042 rentable square feet of leased space in two separate leases. To meet the court's current projected needs, an additional 8,081 RSF will need to be added. The present lease is class "A" (full service). For the purpose of this analysis, the additional space needed is also assumed to be class "A" space. The two leases have different expiration dates, one ends in 2010, the other in 2011.

In the long term, continuing to lease at the same location, with expansion, will cost the state approximately \$125.7 million. The cost estimate includes the cost of the current lease contract for 43,042 RSF at the 2007 rate of \$3.22 per square foot and the additional lease cost for 8,081 RSF at \$3.26 per square foot at an annual CPI rate of 3 percent.<sup>4</sup> Tenant improvement costs were calculated for 8,081 square feet, at a cost of \$105 per square foot<sup>5</sup>.

The Court of Appeal has operated in the existing location for many years. Maintaining the current location offers both advantages and disadvantages.

**Advantages:**

- The court can remain in the same location, therefore minimizing the operation impacts and cost associated with any moves.
- Eliminates confusion to the public by remaining in the same location.

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<sup>4</sup> Per U.S. Department of Labor, Bureau of Labor Statistics, year 2005 western region CPI rate of change was 3.1 percent. Average rate of change from 1996–2005 was 2.6 percent.

<sup>5</sup> Tenant improvements were estimated at \$150 per sq.ft. with an allowance of \$45 per sq.ft. for a total cost of 105 per sq.ft.

- Space can be provided in a shorter period of time.
- The state does not have to pay for tenant improvements on the existing space, as the space has already been improved for use by the court.

**Disadvantages:**

- The long-term cost to the state will be higher than for a state-owned building.
- The state will not own any real property asset at the end of the term.
- Security of the justices, court staff, and the public is severely compromised in a multi-tenant leased building.
- The current building lacks a court image otherwise inherited in a building constructed expressly for the court.
- Lack of control of the other tenants occupying the building who might not be compatible with the court.
- There is no guarantee that space will be available in the existing leased facility.
- Unpredictable long-term costs due to the renegotiation of the lease contract and to the market-driven cost.

**F. Alternative 3: Lease an Alternative Facility**

This option provides the projected space at a new-leased location, preferably on a single floor. This alternative provides the projected required rentable area of 51,123 RSF. The cost for tenant improvements is estimated at \$150 per square foot with an allowance for \$45 per square foot in the lease. The court would remain in downtown San Diego.

The total long-term cost to lease new space for the years 2007–2042 is estimated to be \$131.9 million. The lease cost was estimated by using \$3.26 per square foot and a 3 percent CPI annual increase.

Leasing at the current market value per square foot is considerably higher than the current lease rate. One of the risks with this alternative is that it has a high probability the court might be required to move more than once, if the existing facility lacks the needed growth space or if the building conditions are not acceptable. Moving costs have not been factored into this estimate.

**Advantages:**

- The court has flexibility to contract or expand as needed, assuming adjacent space is available.

- Initial cost to the state is lower than if it were to build a new facility.
- The space needed can be available in less time when compared to constructing a new building.

**Disadvantages:**

- In the long term this alternative has a higher cost to the state than a state-owned facility.
- The state will not own any real property asset at the end of the term.
- The court runs the risk of having to move out of the space at the end of the lease contract.
- The long-term cost is unpredictable due to the renegotiation of the lease contract and the market-driven cost.
- When compared to occupying a state-owned building, security is compromised because of a lack of control.
- Available leased facilities may lack a suitable court image that does not express the level of the court's importance in the community.
- The court does not control the other tenants, who might not be compatible with the court.

**G. Alternative 4: Arrange a Developer-Financed Lease-Purchase of a New Facility**

This alternative provides a new facility through a developer-financed lease-purchase agreement. As with the previous alternative, this option would provide a facility in the downtown San Diego. The new construction will accommodate the court's projected space needs of 66,460 GSF.

This alternative provides the state an opportunity to build a new facility with a lower annual payment when compared to the short-term costs of the capital outlay option. The long-term cost is distributed over 30 years, during which time the state will make monthly payments. At the end of the 2007–2042 time period, the final estimated cost is \$145.3 million. With this alternative, the state would make a monthly-amortized payment of \$403,620 or \$4.8 million per year for 30 years beginning in 2012 and ending in 2042. The interest rate used for the purpose of this estimate was 7.00 percent.

This alternative provides the same benefits as the previous, capital outlay alternative. The major difference is that the higher final costs have been distributed throughout a longer period. A developer may be able to construct a building quicker than the public sector; this alternative may have a shorter completion schedule than Alternative 1. The state would have an initial lower cost because the project costs and interest rates are distributed over 30 years, rather than 3 years as in Alternative 1, however, there would be a higher long term cost to the state.

**Advantages:**

- The cost to the state is distributed over 30 years.
- The state will own the real property asset at the end of the term.
- Design process can ensure improved operational functionality for the court, including security requirements.
- The building design expresses the level of the court's importance to the community.
- The cost is lower than the lease alternatives.

**Disadvantages:**

- The length of time to construct may be longer than leasing space in an existing building.
- There is less control over the detail and quality of construction than the previous alternative, due to involvement of a developer.

**H. Alternative 5: Construct a New Facility Financed with Lease Revenue Bonds**

This alternative constructs a new facility for the court in downtown San Diego. With this alternative, the state would build a new facility financed initially with general funds. The working drawing and construction phases would be financed with lease revenue bonds through the Public Building and Construction Fund. The project will include space to meet the court's projected space needs of 66,460 gross square feet.

The final cost by the end of the time period 2007–2042 is \$108.7 million. With this alternative, the state would make a monthly-amortized payment of \$310,296 or \$3.7 million per year for 25 years beginning in 2012 and ending in 2037. The interest rate used for the purpose of this estimate was 5.25 percent.

This alternative provides the same benefits as the capital outlay alternative. The major difference is that the final costs have been distributed throughout a longer period.

In the long term, Alternative 5 is the second least expensive of the five alternatives analyzed. One of the main reasons is that the state will pay lower interest rates on projects funded through lease revenue bonds than a developer will pay for their financing. The other benefit for the state is that by building a facility it will own the asset.

**Advantages:**

- The cost to the state is distributed over 25 years.
- The state will own the real property asset at the end of the term.
- Architecturally, it provides control over the building design process and construction, resulting in a higher quality public building.
- The building design expresses the level of the court's importance to the community.
- The cost is lower than both the new lease and developer-financed alternatives.
- Long term, the state will own the real property asset.

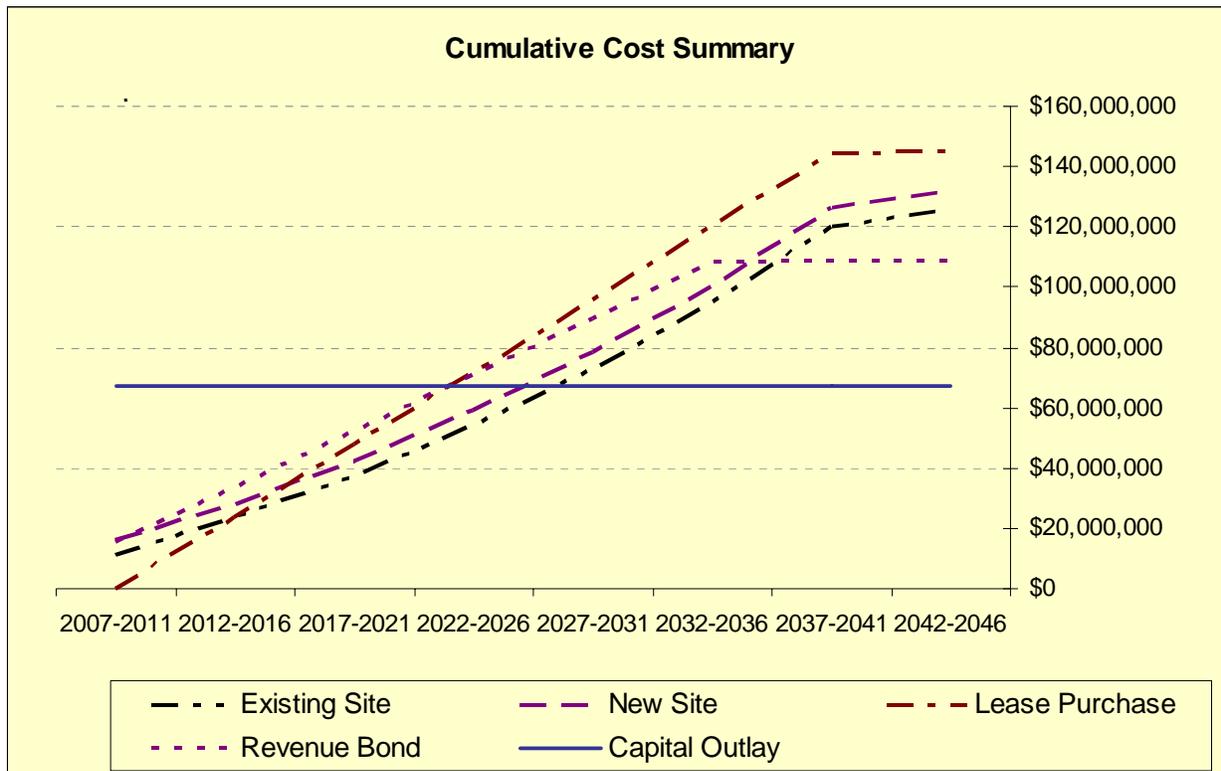
**Disadvantages:**

- The overall cost is higher than Alternative 1.
- The length of time to construct is longer than leasing and improving space in an existing facility.

**I. Analysis Summary**

The 30-year analysis attempts to provide a cost comparison at the end of the life expectancy of the new building. By the end of the 30-year period analyzed, the option to build a new facility through a developer lease-to-purchase proves to be the most costly at \$145.3 million. Locating the court in a building with a new lease has the second highest cost at \$131.9 million. The third-highest cost alternative is to remain in the current lease space, with a final cost of approximately \$125.7 million. Revenue bond financing for a state-owned building has a final cost of \$108.7 million. Building a new facility appears to be the least costly in the long term; the capital outlay alternative has the lowest estimated cost, \$67.4 million. A graph comparing the cumulative costs of each option can be found in Figure 1.

**Figure 1**  
**Cumulative Cost Summary—2007–2042**



Reviewing the final costs, it is clear that the most cost-effective alternative in the long term is to construct a new facility through a capital outlay project funded with state funds. As shown in Table 2, this alternative has the lowest overall cost. The capital outlay project provides the state the capital assets from the site purchased, improves security, meets the court’s space needs, and will express the level of the court’s importance to the community. This alternative has higher short-term cost to the state, which would pay the entire project cost within three years. By comparison, the total costs of the other alternatives are distributed throughout a longer period, making them more attractive in the short term even though they are more expensive in the long term.

The capital outlay alternative continues to be the least expensive, after all alternatives are compared for the net present value (NPV). This option offers a better return on investment. A summary of estimated costs and NPV totals is provided in Table 2.

**Table 2**  
**Summary of Estimated Total Cost—2007–2042**

Year	Lease		New Facility		
	Existing	New Lease	Capital Outlay	Lease Purchase	Revenue Bond
2007-2011	\$11,333,132	\$15,985,824	\$67,408,000	\$0	\$15,627,000
2012-2016	\$12,144,923	\$12,309,067	\$0	\$23,409,983	\$17,997,195
2017-2021	\$14,079,295	\$14,269,582	\$0	\$24,217,224	\$18,617,788
2022-2026	\$16,321,761	\$16,542,357	\$0	\$24,217,224	\$18,617,788
2027-2031	\$18,921,395	\$19,177,125	\$0	\$24,217,224	\$18,617,788
2032-2036	\$21,935,082	\$22,231,544	\$0	\$24,217,224	\$18,617,788
2037-2041	\$25,428,772	\$25,772,453	\$0	\$24,217,224	\$620,593
2042-2046	\$5,552,489	\$5,627,533	\$0	\$807,241	\$0
<b>Total Cost:</b>	<b>\$125,716,850</b>	<b>\$131,915,486</b>	<b>\$67,408,000</b>	<b>\$145,303,344</b>	<b>\$108,715,938</b>
<b>NPV Total:</b>	<b>\$69,800,092</b>	<b>\$75,112,095</b>	<b>\$62,514,257</b>	<b>\$81,493,078</b>	<b>\$70,786,367</b>
<b>NPV % of total cost</b>	<b>56%</b>	<b>57%</b>	<b>93%</b>	<b>56%</b>	<b>65%</b>

See Appendix A for additional financial information.

IV. RECOMMENDED PROJECT

**A. Introduction**

The recommended solution to meet the court's facilities needs in the San Diego area is to construct a new court facility. The following section outlines the components of the recommended project, including project description, project space program, parking requirements, site selection issues, estimated project cost and schedule, and estimated impact on the court's support budget.

**B. Project Description**

The proposed project includes the design and construction of a new facility for the Fourth Appellate District of the Court of Appeal in San Diego. The project replaces existing leased space and will include one courtroom, justice chambers, attorney support space, central law library, court administration, clerk's office, central staff offices, settlement conference center, security operations, and building support space. Site support will include underground secure parking for justices and staff. Visitor parking will be accommodated in nearby public parking.

The proposed building will accommodate approximately 66,460 gross square feet.

**C. Space Program**

Space needs are based on the *Appellate Court Facilities Guidelines*, adopted by the Judicial Council in July 2002. The space requirements have been reviewed by the court. The court currently occupies 43,042 rentable square feet; projected space need is estimated to be 66,460 gross square feet. The space program is provided in Table 3.

**Table 3  
Space Program for Court of Appeal, Fourth Appellate District, San Diego**

Component ID / Name	Space Required 12 Justices + 1 Pro Tem Justice			
	Space Count	Total Staff	Component Gross Area	Component Net Area
<b>APPELLATE COURTSET</b>	<b>6</b>	<b>-</b>	<b>3,955</b>	<b>3,164</b>
Appellate Courtroom	1	-	2,250	1,800
Secure Vestibule	1	-	125	100
Vestibule	1	-	375	300
Security Screening	1	-	563	450
Robing Room/Judicial Lounge	1	-	563	450
Robing Room Restroom	1	-	80	64
<b>ADMINISTRATIVE PRESIDING JUSTICE CHAMBERS</b>	<b>7</b>	<b>5</b>	<b>2,330</b>	<b>1,864</b>
Judicial Chambers; w/restroom	1	1	750	600
Lead/Senior/Appellate Court Attorney	3	3	656	525
Medium Conference Room, Seating 10	1	-	300	240
Judicial Assistant; reception & library	1	1	530	424
Supply/Coffee/File Cart Alcove	1	-	94	75
<b>ASSOCIATE JUSTICE CHAMBERS</b>	<b>66</b>	<b>55</b>	<b>20,955</b>	<b>16,764</b>
Judicial Chambers; w/restroom	11	11	6,875	5,500
Lead/Senior/Appellate Court Attorney	33	33	7,219	5,775
Judicial Assistant; reception & library	11	11	5,830	4,664
Supply/Coffee/File Cart Alcove	11	-	1,031	825
<b>PRO TEM JUSTICE CHAMBERS</b>	<b>2</b>	<b>-</b>	<b>719</b>	<b>575</b>
Judicial Chambers; w/restroom	1	-	625	500
Lead/Senior/Appellate Court Attorney	-	-	-	-
Judicial Assistant; reception & library	-	-	-	-
Supply/Coffee/File Cart Alcove	1	-	94	75
<b>CHAMBERS/ATTORNEY SUPPORT SPACE</b>	<b>23</b>	<b>15</b>	<b>3,316</b>	<b>2,605</b>
Extern Workstation	15	15	1,215	900
Copy/Supply Room	2	-	750	600
Coffee/Amenity Space	2	-	375	300
Waiting Room	1	-	156	125
Judicial Conference Room	1	-	450	360
Hotel Workstation/Special Consultant	1	-	150	120
Storage	1	-	220	200
<b>CENTRAL LAW LIBRARY</b>	<b>87</b>	<b>1</b>	<b>2,548</b>	<b>1,943</b>
Law Librarian Office	1	1	219	175
Law Library Work Room; photocopier, work area	1	-	219	175
Library Book Shelving; single faced	25	-	574	425
Library High Density File, double faced	55	-	1,040	770
Library Table w/6 seats	3	-	338	270
Computer Carrel	2	-	160	128
<b>APPELLATE COURT ADMINISTRATION</b>	<b>9</b>	<b>4</b>	<b>2,494</b>	<b>1,995</b>
District 4 Clerk Administrator Office	1	1	375	300
Division 1 Assistant Clerk Administrator Office	1	1	219	175
District 4 Human Resources Office	1	1	188	150
Human Resources Secure File Room	1	-	150	120
District 4 Budget Analyst Office	1	1	188	150
Media/Press Facilities	1	-	250	200
Video Conference Room	1	-	450	360
District 4 Training Room (12 computer stations)	1	-	425	340
Exhibit Storage Room	1	-	250	200

*Table 3 continues,*

**Table 3, Continued**  
**Space Program for Court of Appeal, Fourth Appellate District, San Diego**

Component ID / Name	Space Required 12 Justices + 1 Pro Tem Justice			
	Space Count	Total Staff	Component Gross Area	Component Net Area
<b>CLERK'S OFFICE</b>	<b>39</b>	<b>14</b>	<b>4,265</b>	<b>3,299</b>
Supervising Deputy Clerk Office	2	2	375	300
Deputy Clerk Workstation	10	10	1,080	800
Court Record Assistant Workstation	1	1	86	64
Office Assistant Workstation	1	1	86	64
Reception Area/Public Counter; 3 stations	1	-	203	150
Queuing/Waiting Space	1	-	68	50
File Viewing Room; copier, worktable	1	-	270	200
Active Files; double faced fixed shelving	10	-	108	80
Active Files, high density, double faced	1	-	500	400
Inactive File Room	1	-	500	400
Mobile File Carts	6	-	45	36
Supply Room	1	-	225	180
Printer Room	1	-	63	50
Copy/Work Room	1	-	344	275
Calendaring Room; workstation/file shelving	1	-	313	250
<b>CENTRAL STAFF</b>	<b>25</b>	<b>22</b>	<b>4,741</b>	<b>3,770</b>
Managing Attorney	1	1	250	200
Central Staff Attorney	12	12	2,625	2,100
Writ Attorney	4	4	875	700
Judicial Assistants	5	5	108	80
Central Staff Reception/Waiting	1	-	270	200
Writ Calendaring Room	1	-	313	250
Medium Conference Area, Seating 10	1	-	300	240
<b>MEDIATION/SETTLEMENT CONFERENCE CENTER</b>	<b>5</b>	<b>-</b>	<b>1,253</b>	<b>990</b>
Waiting	1	-	203	150
Medium Conference Room, Seating 10	2	-	600	480
Large Conference Room, Seating 16	1	-	400	320
Coffee/Amenity Space	1	-	50	40
<b>FACILITY SUPPORT FUNCTIONS</b>	<b>14</b>	<b>-</b>	<b>3,480</b>	<b>2,910</b>
Public Lobby	1	-	825	750
Staff Lobby	1	-	330	300
Mail/Receiving Room	1	-	375	300
Employee Lounge	1	-	750	600
Lactation Room	1	-	75	60
Employee Shower/Locker Room	2	-	200	160
Telecommunications Room - Security/Phones	1	-	375	300
Telecommunications Closet	2	-	300	240
Housekeeping Storage	1	-	100	80
Janitors Closet	3	-	150	120
<b>INFORMATION SYSTEMS DEPARTMENT</b>	<b>4</b>	<b>2</b>	<b>638</b>	<b>510</b>
Computer System Administrator	1	1	188	150
Computer Technician	1	1	100	80
Computer Room/Storage	1	-	250	200
Computer Workroom	1	-	100	80
<b>SECURITY OPERATIONS</b>	<b>3</b>	<b>3</b>	<b>431</b>	<b>345</b>
Security Control Center	1	2	225	180
CHP Locker Room, w/change lockers	1	-	100	80
Security Guard Office	1	1	106	85
Total for San Diego Court of Appeal Building:	290	121	51,123	40,734
Building Gross Area (at 30% of CGSF):			15,337	
<b>Total Gross Area :</b>			<b>66,460</b>	
GSF per Justice (Including Pro Tem Justice):			5,112	

Notes: 1. Total number of justices based on "Evaluation and Plan for Supreme Court and Courts of Appeal", October 1, 2001 by the  
2. Space program component count, net, and gross area based on the "Appellate Court Facilities Guidelines" adopted by the  
3. Administration at this site includes centralized personnel that support all three Fourth District divisions.

**D. Parking Requirements**

Staff currently pays for parking. The court reports that parking availability in downtown San Diego is becoming limited as the population of the region grows and pay parking lots are used for high-rise development projects. Until a specific site is identified for analysis, it is difficult to evaluate the parking needs of staff as these parking needs are inextricably intertwined with site location—its parcel size; building potential; available, convenient public transit; and existing, affordable adjacent parking. A location in the surrounding neighborhoods of downtown San Diego could have a substantial impact on relevant calculations, as greater density can result in greater scarcity of available parking.

The court believes that it should, to the extent reasonably possible, provide adequate parking spaces to accommodate court staff. The goal of such planning is to assure safe, secure, affordable, and convenient parking. Affordable implies at a reasonable cost to both staff and the public who has business with the court. Such parking is a significant concern with staff, which has lost access to parking at the current leased space.

Parking for staff has been included in this project. Because land cost is so high and availability low, parking has been included in a basement level garage with a total of 96 spaces. These 96 spaces will accommodate the justices and most staff. Currently, appellate court staff is not provided free parking so it is assumed that the remaining 84 parking spaces will be leased to court staff. The parking component of the project is estimated to have a project cost of \$6.8 million, which is included in the overall project cost utilized for the economic analysis. Two calculations were completed to compare the estimated cost to the potential income earned; one assuming the project is delivered through a capital outlay process financed with general fund monies, the second assumes a capital outlay project financed with general funds initially and lease revenue bonds for design and construction. Parking cost calculations are summarized in Table 4. Detailed calculations are provided in Appendix A.

**Table 4  
Summary Parking Cost Analysis**

	Funding Option	
	Pay As You Go	Lease Revenue Bonds
Estimated Cost of Parking	\$6,800,000	\$11,925,636
Rental Income Earned	\$6,909,482	\$6,909,482
Potential Earnings or Costs	\$109,482	-\$5,016,154

Notes:

1. Current monthly cost escalated 1% per year beginning with 2007 average rent of \$180.50 per space.

On the days that court is in session, a much larger amount of parking is required for visitors. Because this need is monthly, rather than daily, the AOC has assumed parking will be available in nearby public parking structures. Site selection must be dependent on having parking and public transit available within walking distance of the selected site.

**E. Site Program**

A specific site for this project has not been identified. For this study, available sites were studied within the general area of the existing downtown San Diego site. To quantify site need, a site program was developed.

The site program includes allowances for the building footprint, pedestrian and vehicular circulation, and landscaping and site setbacks. Because the preferred location is downtown San Diego, the site program assumes a building of at least four stories with two floors of parking at the basement level. The site program is provided in Table 5.

**Table 5  
Site Program Court of Appeal, Fourth Appellate District, Division One, San Diego**

Site Component	Space Need	Comments
<b>Structures</b>		
Court Footprint	18,900	4-story building, footprint based on 1st floor components
Total Structure	18,900	
<b>Site Elements</b>		
Loading Zone	480	
Refuse/Recycling Collection	144	
Bicycle Parking Area	100	
Outdoor Staff Area	300	
Total Site Elements	-	Locate within building set back area
<b>Parking</b>		
Secure Justice and Staff Parking Area	96	
Visitor Parking	-	Assume visitor parking is accommodated at public parking structures or lots in immediate area.
Structured Parking Footprint	24,376	Assume two levels of basement parking; 20,160 SF of parking at 420 SF per space. Assume 2,000 SF for elevator/stair lobby, mechanical space, exit stairs and 10% gross for envelope
<b>Total Site Requirements</b>		
Structures	18,900	
Site Elements	-	
Parking	24,376	Assume structured parking is basement level
Subtotal Site Requirements	18,900	
Vehicle/Pedestrian Circulation	1,890	10% of site
Landscaping/Setbacks	9,210	Set backs from streets and alleys to be 25' min/35' optimal
<b>Total Site Requirements</b>	<b>30,000</b>	Assume 1/2 city block
<b>Total Acreage Requirements</b>	<b>0.69</b>	

As shown in this site program, the recommended site will be approximately 0.69 acres or one-half of a typical downtown San Diego block.

**F. Site Availability and Real Estate Market Analysis**

Per the first quarter 2006 CBRE market report, downtown office demand was flat but was more than double that of the first quarter of 2005. The demand for new housing is also high, and this demand is driving up land costs in the downtown area. Vacant land is difficult to find in the downtown area and an improved property will likely be acquired. Per AOC OCCM Real Estate, it is the value of the land in the downtown area that drives the cost regardless of whether it is vacant or improved.

OCCM and the court will meet with the Centre City Development Corporation (CCDC) in mid-June to discuss potential sites. The CCDC functions as the redevelopment agency for downtown San Diego. Discussion will include exploration of what they can do to assist in site selection and if they may be able to assist the court by providing parking near the project.

**G. Estimated Project Cost**

The estimated project cost to construct the recommended project is \$67.4 million. This is based on a project of 66,460 gross square feet with 96 parking spaces on two basement floors.

Construction costs are estimated to be \$45.4 million and include site grading, site drainage, lighting, landscaping, drives, and loading areas. Construction costs include allowances for furniture, fixtures, and equipment (FF&E) and data, communications, and security. Construction costs are escalated to the start and midpoints of construction and carry a 5 percent contingency.

Project costs are added to the construction costs and include fees for architectural and engineering design services, special consultants, geotechnical and land survey consultants, materials testing, project management, CEQA due diligence, property appraisals, legal services, utility connections, and plan check fees for the state fire marshal and access compliance.

Land acquisition costs of \$13.5 million are also included in the total cost. The detailed cost estimate is provided in Appendix A.

**H. Project Schedule**

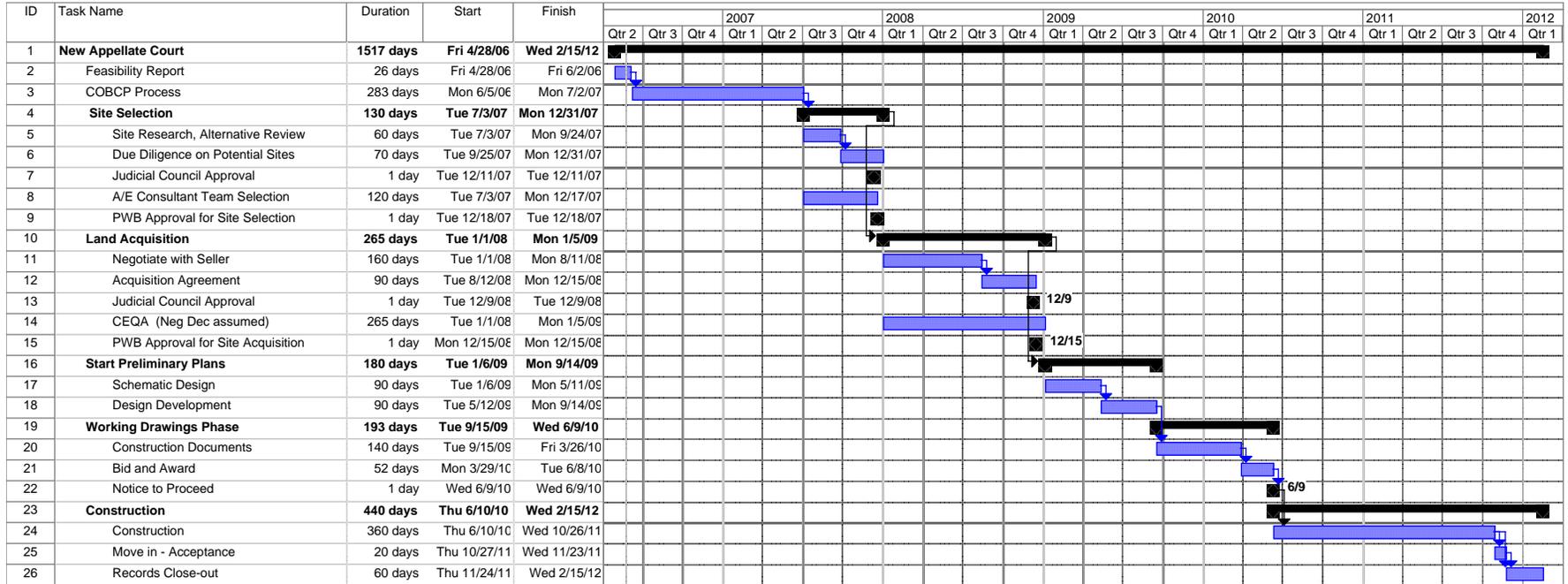
Preliminary project schedules have been developed assuming that funding is included in the 2007–2008 budget act and the site acquisition process is successful.

Proposed Project Schedule

Site Selection	July 2007–December 2007
Land Acquisition (including CEQA)	January 2008–January 2009
Preliminary Plans	January 2009–September 2009
Working Drawings	September 2009–June 2010
Construction	June 2010–February 2012

The project schedule is provided in Figure 2.

**Figure 2  
Project Schedule**



**I. Impact on Court's 2007-2008 Support Budget**

The impact of this project on the state's general support fund budgets for FY 2007-2008 will not be significant. It is anticipated that this project will impact the state's general fund budget in fiscal years beyond the current year as certain one-time costs and on-going operational costs are incurred. Staffing support costs that are contingent upon later approval of future justice positions will be addressed as necessary through separate support proposals and are not included in this analysis.

Based on the economic feasibility study prepared by the AOC and summarized in this report, the state is projected to spend approximately \$104.8 million if it were to continue leasing the existing location, with no expansion, by the end of the 2007-2042 analysis period.

V. APPENDIX A—ECONOMIC ANALYSIS

**A. Introduction**

In order to complete the financial analysis, cost estimates were created for the capital outlay project. It is assumed that the developer-financed lease-purchase project will have a project cost 10 percent lower than the capital outlay option due to shorter construction period and tighter controls on the design consultants. Amortization calculations were created for a 30-year term for the developer-lease project and a 25-year term for the lease revenue bond project. These estimates and calculations were then used 30-year economic analysis. Appendix A includes each of the estimates and calculations created to support Section III of this report.

The following tables include the construction and project cost estimates, amortization calculations, and financial analysis worksheets.



**Table A-2  
Project Cost Estimate—Capital Outlay Alternative**

	<b>ADMINISTRATIVE OFFICE OF THE COURTS</b> OFFICE OF COURT CONSTRUCTION AND MANAGEMENT	Summary of Costs by Phase
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San Diego Court of Appeal New Capital Outlay

Date Estimated: 9/6/2006

Prepared by: KM/CH/SS

Location: State of California CCCI (Cost Estimate Basis): 4600 Apr-06

Project ID: 90.64.001 CCCI (Basis for Adjustment): 4600 Apr-06

Site - Building ID: TDB Construction Start: 6/9/2010

AOC Project Manager: 0 Construction End: 2/15/2012

Estimated Project Cost by Phase (\$ 000's)	Study (S)	Acquisition (A)	Preliminary Plans (P)	Working Drawings (W)	Construction (C)	Totals
<b>Construction Costs</b>						
Construction Costs (see prior page for detail)					\$34,007	\$34,007
Adjust CCCI					\$0	\$0
Escalation to Start of Construction					\$7,856	\$7,856
Escalation to Midpoint					\$1,407	\$1,407
Contingency					\$2,163	\$2,163
<b>Construction Costs Subtotal</b>					<b>\$45,433</b>	<b>\$45,433</b>
<b>Architectural and Engineering</b>						
A&E Design Services (with escalation)		\$190	\$1,424	\$3,228	\$1,044	\$5,887
Construction Inspection					\$0	\$0
Bid Advertising, Printing and Mailing				\$137		\$137
Post-Occupancy Evaluation					\$46	\$46
<b>A&amp;E Fees Subtotal</b>		<b>\$190</b>	<b>\$1,424</b>	<b>\$3,365</b>	<b>\$1,090</b>	<b>\$6,070</b>
<b>Other Project Costs</b>						
Site Acquisition / Property Purchase		\$13,500				\$13,500
Special Consultants		\$100	\$75	\$175	\$100	\$450
Geotechnical Services & Land Surveying		\$50	\$0	\$0	\$0	\$50
Materials Testing Laboratory		\$0			\$200	\$200
Commissioning					\$100	\$100
Project/Construction Management		\$0	\$75	\$200	\$800	\$1,075
CEQA/Due Diligence/Documentation		\$100	\$0			\$100
Property Appraisals		\$12				\$12
Legal Services		\$100				\$100
Peer Review					\$0	\$0
Moving and Relocation Expenses						
Plan Checking			\$1	\$173	\$45	\$219
Utility Connections/Fees/Other		\$0			\$100	\$100
<b>Other Project Costs Subtotal</b>		<b>\$13,862</b>	<b>\$151</b>	<b>\$548</b>	<b>\$1,345</b>	<b>\$15,905</b>
<b>A&amp;E Fees plus Other Project Costs Subtotal</b>	<b>\$0</b>	<b>\$14,052</b>	<b>\$1,575</b>	<b>\$3,913</b>	<b>\$2,435</b>	<b>\$21,975</b>
<b>Total Estimated Project Costs</b>	<b>\$0</b>	<b>\$14,052</b>	<b>\$1,575</b>	<b>\$3,913</b>	<b>\$47,868</b>	<b>\$67,408</b>

Less Funds Transferred						
Less Funds Available not Transferred						
Carryover						
<b>Balance of Funds Required</b>						

Footnotes:

- 52 A&E design includes architectural, structural, mechanical, plumbing, and electrical consultant fees.
- 53 Special consultants include acoustical, security, interior design, special lighting, A/V, telecomm, signage, and landscape architect fees
- 54 This estimate does not include costs for CEQA mitigation.

**Table A-3  
Amortization—30-Year Term Calculation**

Loan Amount: \$60,667,200                      Term of the Loan: 30 years  
Interest Rate: 7 %                                Monthly mortgage payments: \$ 403,620.40  
Total interest paid over the life of the loan: \$ 84,636,142.77

<b>Year</b>	<b>Loan Balance</b>	<b>Yearly Interest Paid</b>	<b>Yearly Principal Paid</b>	<b>Total Interest</b>
2012	60,103,950.64	3,876,575.00	563,249.36	3,876,575.00
2013	59,446,969.92	4,186,464.04	656,980.72	8,063,039.04
2014	58,742,496.01	4,138,970.85	704,473.91	12,202,009.89
2015	57,987,095.63	4,088,044.37	755,400.38	16,290,054.27
2016	57,177,087.29	4,033,436.42	810,008.34	20,323,490.68
2017	56,308,523.38	3,974,880.85	868,563.91	24,298,371.53
2018	55,377,170.91	3,912,092.29	931,352.46	28,210,463.83
2019	54,378,490.90	3,844,764.75	998,680.01	32,055,228.58
2020	53,307,616.24	3,772,570.09	1,070,874.67	35,827,798.67
2021	52,159,327.95	3,695,156.47	1,148,288.28	39,522,955.14
2022	50,928,029.81	3,612,146.62	1,231,298.14	43,135,101.76
2023	49,607,721.03	3,523,135.98	1,320,308.78	46,658,237.74
2024	48,191,967.02	3,427,690.75	1,415,754.01	50,085,928.49
2025	46,673,868.04	3,325,345.78	1,518,098.98	53,411,274.27
2026	45,046,025.56	3,215,602.28	1,627,842.48	56,626,876.55
2027	43,300,506.22	3,097,925.41	1,745,519.35	59,724,801.96
2028	41,428,803.13	2,971,741.68	1,871,703.08	62,696,543.64
2029	39,421,794.49	2,836,436.11	2,007,008.65	65,532,979.75
2030	37,269,699.02	2,691,349.29	2,152,095.47	68,224,329.04
2031	34,962,028.40	2,535,774.14	2,307,670.62	70,760,103.18
2032	32,487,536.08	2,368,952.44	2,474,492.32	73,129,055.62
2033	29,834,162.51	2,190,071.19	2,653,373.57	75,319,126.81
2034	26,988,976.35	1,998,258.60	2,845,186.16	77,317,385.41
2035	23,938,111.45	1,792,579.86	3,050,864.90	79,109,965.27
2036	20,666,699.28	1,572,032.59	3,271,412.17	80,681,997.85
2037	17,158,796.46	1,335,541.94	3,507,902.82	82,017,539.79
2038	13,397,307.06	1,081,955.36	3,761,489.40	83,099,495.15
2039	9,363,899.28	810,036.98	4,033,407.78	83,909,532.13
2040	5,038,916.13	518,461.61	4,324,983.15	84,427,993.74
2041	401,279.60	205,808.23	4,637,636.53	84,633,801.97
2042	0.00	2,340.80	401,279.60	84,636,142.77

**Table A-4  
Amortization—25-Year Term Calculation**

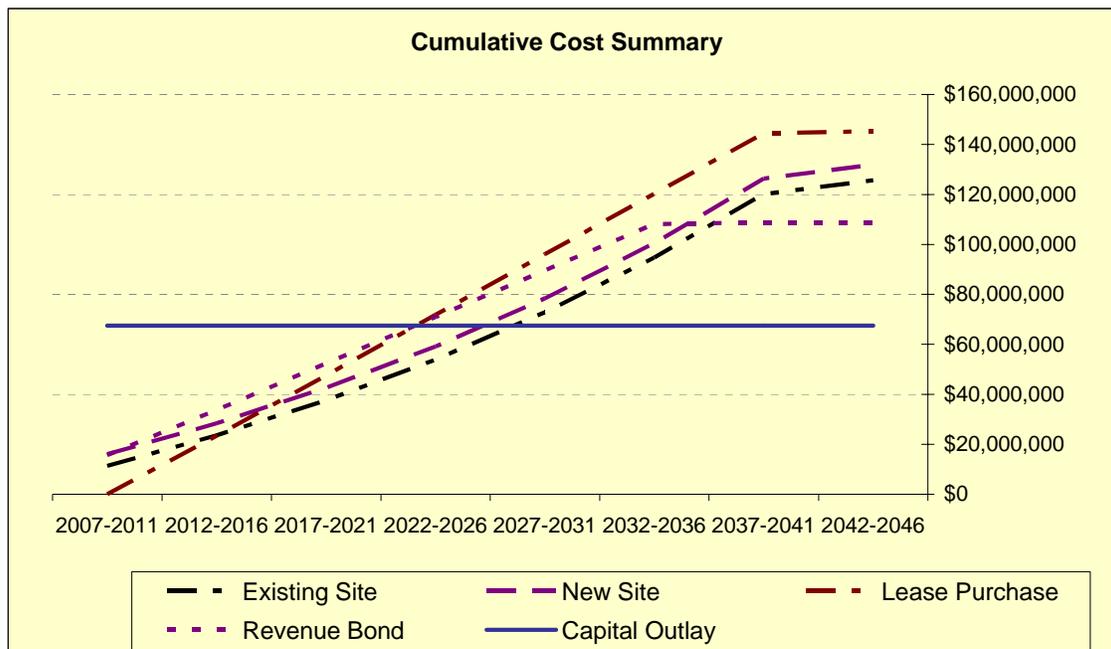
Loan Amount: \$ 51,781,000                      Term of the Loan: 25 years  
Interest Rate: 5.25 %                              Monthly mortgage payments: \$310,296.46  
Total interest paid over the life of the loan: \$ 41,307,938.02

<b>Year</b>	<b>Loan Balance</b>	<b>Yearly Interest Paid</b>	<b>Yearly Principal Paid</b>	<b>Total Interest</b>
2012	51,443,776.69	903,962.53	337,223.31	903,962.53
2013	50,396,044.85	2,675,825.69	1,047,731.83	3,579,788.21
2014	49,291,964.02	2,619,476.69	1,104,080.83	6,199,264.91
2015	48,128,503.65	2,560,097.14	1,163,460.38	8,759,362.05
2016	46,902,470.17	2,497,524.05	1,226,033.47	11,256,886.10
2017	45,610,498.31	2,431,585.65	1,291,971.87	13,688,471.75
2018	44,249,041.75	2,362,100.97	1,361,456.55	16,050,572.72
2019	42,814,363.50	2,288,879.27	1,434,678.25	18,339,451.99
2020	41,302,525.54	2,211,719.56	1,511,837.96	20,551,171.55
2021	39,709,378.09	2,130,410.07	1,593,147.46	22,681,581.62
2022	38,030,548.15	2,044,727.59	1,678,829.93	24,726,309.20
2023	36,261,427.58	1,954,436.95	1,769,120.57	26,680,746.15
2024	34,397,160.36	1,859,290.30	1,864,267.22	28,540,036.46
2025	32,432,629.34	1,759,026.50	1,964,531.03	30,299,062.95
2026	30,362,442.13	1,653,370.31	2,070,187.21	31,952,433.26
2027	28,180,916.34	1,542,031.74	2,181,525.79	33,494,465.00
2028	25,882,063.98	1,424,705.16	2,298,852.36	34,919,170.16
2029	23,459,575.01	1,301,068.54	2,422,488.98	36,220,238.70
2030	20,906,800.00	1,170,782.52	2,552,775.00	37,391,021.22
2031	18,216,731.94	1,033,489.46	2,690,068.06	38,424,510.68
2032	15,381,986.94	888,812.52	2,834,745.00	39,313,323.20
2033	12,394,784.01	736,354.59	2,987,202.93	40,049,677.79
2034	9,246,923.67	575,697.18	3,147,860.34	40,625,374.97
2035	5,929,765.45	406,399.31	3,317,158.21	41,031,774.28
2036	2,434,204.21	227,996.28	3,495,561.24	41,259,770.56
2037	0.00	48,167.47	2,434,204.21	41,307,938.02
<b>Year</b>	<b>Loan Balance</b>	<b>Yearly Interest Paid</b>	<b>Yearly Principal Paid</b>	<b>Total Interest</b>

**Table A-5**  
**Economic Analysis—30-Year Period**  
**Cost Comparison—Cumulative Cost Summary—All Alternatives**

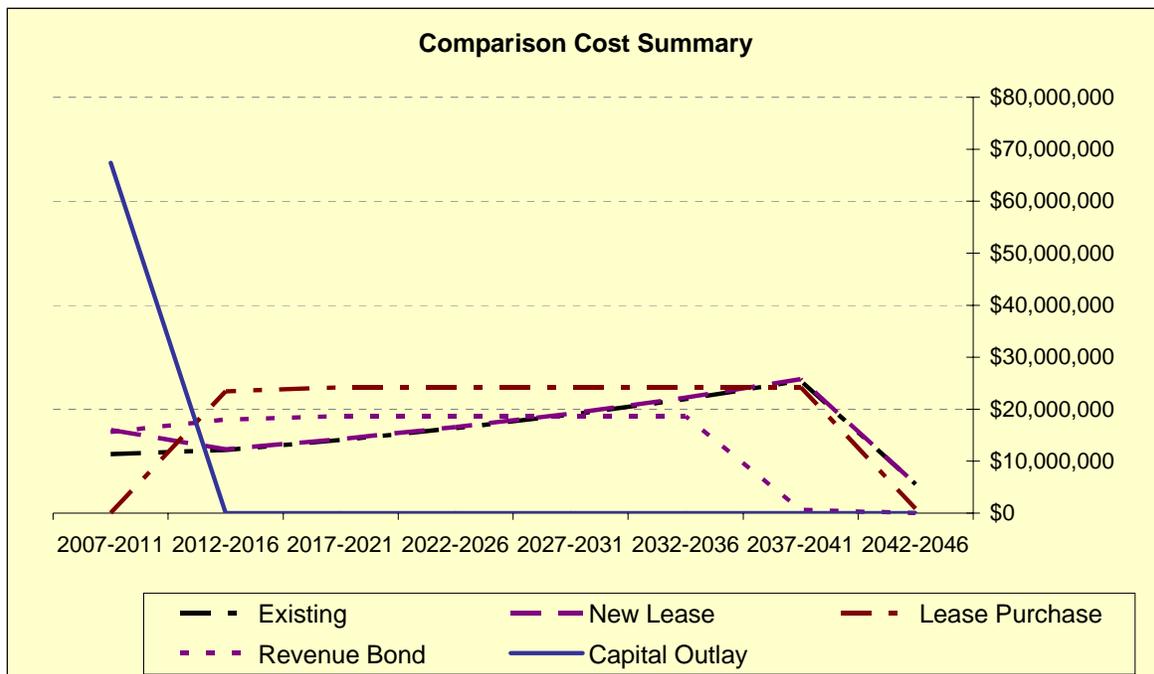
Year	Lease		New Facility		
	Existing Site	New Site	Capital Outlay	Lease Purchase	Revenue Bond
2007-2011	\$11,333,132	\$15,985,824	\$67,408,000	\$0	\$15,627,000
2012-2016	\$23,478,055	\$28,294,891	\$67,408,000	\$23,409,983	\$33,624,195
2017-2021	\$37,557,350	\$42,564,474	\$67,408,000	\$47,627,207	\$52,241,982
2022-2026	\$53,879,111	\$59,106,830	\$67,408,000	\$71,844,431	\$70,859,770
2027-2031	\$72,800,506	\$78,283,956	\$67,408,000	\$96,061,655	\$89,477,557
2032-2036	\$94,735,589	\$100,515,500	\$67,408,000	\$120,278,879	\$108,095,345
2037-2041	\$120,164,361	\$126,287,953	\$67,408,000	\$144,496,103	\$108,715,938
2042-2046	\$125,716,850	\$131,915,486	\$67,408,000	\$145,303,344	\$108,715,938

Term of the analysis: 2007-2042  
 Cumulative Cost Comparison - Summary All Alternatives



**Table A-6**  
**Economic Analysis—30-Year Period**  
**Cost Comparison of All Alternatives—5-Year Increments**

Year	Lease		New Facility		
	Existing	New Lease	Capital Outlay	Lease Purchase	Revenue Bond
2007-2011	\$11,333,132	\$15,985,824	\$67,408,000	\$0	\$15,627,000
2012-2016	\$12,144,923	\$12,309,067	\$0	\$23,409,983	\$17,997,195
2017-2021	\$14,079,295	\$14,269,582	\$0	\$24,217,224	\$18,617,788
2022-2026	\$16,321,761	\$16,542,357	\$0	\$24,217,224	\$18,617,788
2027-2031	\$18,921,395	\$19,177,125	\$0	\$24,217,224	\$18,617,788
2032-2036	\$21,935,082	\$22,231,544	\$0	\$24,217,224	\$18,617,788
2037-2041	\$25,428,772	\$25,772,453	\$0	\$24,217,224	\$620,593
2042-2046	\$5,552,489	\$5,627,533	\$0	\$807,241	\$0
<b>Total Cost:</b>	<b>\$125,716,850</b>	<b>\$131,915,486</b>	<b>\$67,408,000</b>	<b>\$145,303,344</b>	<b>\$108,715,938</b>
<b>NPV Total:</b>	<b>\$69,800,092</b>	<b>\$75,112,095</b>	<b>\$62,514,257</b>	<b>\$81,493,078</b>	<b>\$70,786,367</b>
<b>NPV % of total cost</b>	<b>56%</b>	<b>57%</b>	<b>93%</b>	<b>56%</b>	<b>65%</b>



**Table A-7**  
**Term of Analysis—30 Years**  
**Cost Comparison of All Alternatives—By Year**

Year	Lease		New Facility		
	Existing	New Lease	Capital Outlay	Lease Purchase	Revenue Bond
2007	\$2,825,872	\$7,367,847	\$14,052,000	\$0	\$14,052,000
2008	\$2,035,247	\$2,059,930	\$1,575,000	\$0	\$1,575,000
2009	\$2,094,852	\$2,121,728	\$51,781,000	\$0	\$0
2010	\$2,156,237	\$2,185,379		\$0	\$0
2011	\$2,220,924	\$2,250,941		\$0	\$0
2012	\$2,287,552	\$2,318,469		\$4,036,204	\$3,102,965
2013	\$2,356,178	\$2,388,023		\$4,843,445	\$3,723,558
2014	\$2,426,864	\$2,459,664		\$4,843,445	\$3,723,558
2015	\$2,499,670	\$2,533,454		\$4,843,445	\$3,723,558
2016	\$2,574,660	\$2,609,457		\$4,843,445	\$3,723,558
2017	\$2,651,900	\$2,687,741		\$4,843,445	\$3,723,558
2018	\$2,731,457	\$2,768,373		\$4,843,445	\$3,723,558
2019	\$2,813,400	\$2,851,424		\$4,843,445	\$3,723,558
2020	\$2,897,802	\$2,936,967		\$4,843,445	\$3,723,558
2021	\$2,984,736	\$3,025,076		\$4,843,445	\$3,723,558
2022	\$3,074,278	\$3,115,829		\$4,843,445	\$3,723,558
2023	\$3,166,507	\$3,209,303		\$4,843,445	\$3,723,558
2024	\$3,261,502	\$3,305,582		\$4,843,445	\$3,723,558
2025	\$3,359,347	\$3,404,750		\$4,843,445	\$3,723,558
2026	\$3,460,127	\$3,506,892		\$4,843,445	\$3,723,558
2027	\$3,563,931	\$3,612,099		\$4,843,445	\$3,723,558
2028	\$3,670,849	\$3,720,462		\$4,843,445	\$3,723,558
2029	\$3,780,975	\$3,832,076		\$4,843,445	\$3,723,558
2030	\$3,894,404	\$3,947,038		\$4,843,445	\$3,723,558
2031	\$4,011,236	\$4,065,449		\$4,843,445	\$3,723,558
2032	\$4,131,573	\$4,187,413		\$4,843,445	\$3,723,558
2033	\$4,255,520	\$4,313,035		\$4,843,445	\$3,723,558
2034	\$4,383,186	\$4,442,426		\$4,843,445	\$3,723,558
2035	\$4,514,681	\$4,575,699		\$4,843,445	\$3,723,558
2036	\$4,650,122	\$4,712,970		\$4,843,445	\$3,723,558
2037	\$4,789,626	\$4,854,359		\$4,843,445	\$620,593
2038	\$4,933,314	\$4,999,990		\$4,843,445	
2039	\$5,081,314	\$5,149,990		\$4,843,445	
2040	\$5,233,753	\$5,304,489		\$4,843,445	
2041	\$5,390,766	\$5,463,624		\$4,843,445	
2042	\$5,552,489	\$5,627,533		\$807,241	
<b>Total</b>	<b>\$125,716,850</b>	<b>\$131,915,486</b>	<b>\$67,408,000</b>	<b>\$145,303,344</b>	<b>\$108,715,938</b>

**Table A-8**  
**Economic Analysis—30-Year Period**  
**Alternative 1: Construct a New Facility—Capital Outlay Delivery Method**

Estimated Project Cost:		\$67,408,000
Annual Inflation Rate:		3.0%
	<b>Total Gross</b>	<b>Cost/yr</b>
	<b>Sq. Ft.</b>	<b>Project</b>
2007		\$14,052,000
2008		\$1,575,000
2009	66,460	\$51,781,000
2010		\$0
<b>2011</b>		\$0
2012		\$0
2013		\$0
2014		\$0
2015		\$0
<b>2016</b>		\$0
2017		\$0
2018		\$0
2019		\$0
2020		\$0
<b>2021</b>		\$0
2022		\$0
2023		\$0
2024		\$0
2025		\$0
<b>2026</b>		\$0
2027		\$0
2028		\$0
2029		\$0
2030		\$0
<b>2031</b>		\$0
2032		\$0
2033		\$0
2034		\$0
2035		\$0
<b>2036</b>		\$0
2037		\$0
Subtotal		\$67,408,000
<b>Total - Project Cost</b>		<b>\$67,408,000</b>
NPV - Subtotal		\$62,514,257
<b>Total - Net Present Value</b>		<b>\$62,514,257</b>

**Table A-9**  
**Economic Analysis—30-Year Period**  
**Alternative 2: Extend Existing Lease**

Term of the Analysis: 2007-2042					CPI Rate: 3.0%	
Estimated total lease space for the 30 year term: 43,042 RSF					Annual Inflation Rate: 3.0%	
CPI Increase	Year	Rentable Square Feet	Avg rent/sf/mo	Avg rent/sf/yr	Monthly	Annual
0.00%	2007	43,042	\$3.22	\$38.60	\$138,437	\$1,661,239
3.00%	2008	43,042	\$3.31	\$39.72	\$142,470	\$1,709,635
3.00%	2009	43,042	\$3.41	\$40.88	\$146,623	\$1,759,471
3.00%	2010	43,042	\$3.51	\$42.07	\$150,900	\$1,810,795
3.00%	2011	43,042	\$3.61	\$43.33	\$155,427	\$1,865,118
3.00%	2012	43,042	\$3.72	\$44.63	\$160,089	\$1,921,072
3.00%	2013	43,042	\$3.83	\$45.97	\$164,892	\$1,978,704
3.00%	2014	43,042	\$3.95	\$47.35	\$169,839	\$2,038,065
3.00%	2015	43,042	\$4.06	\$48.77	\$174,934	\$2,099,207
3.00%	2016	43,042	\$4.19	\$50.23	\$180,182	\$2,162,183
3.00%	2017	43,042	\$4.31	\$51.74	\$185,587	\$2,227,049
3.00%	2018	43,042	\$4.44	\$53.29	\$191,155	\$2,293,860
3.00%	2019	43,042	\$4.57	\$54.89	\$196,890	\$2,362,676
3.00%	2020	43,042	\$4.71	\$56.54	\$202,796	\$2,433,557
3.00%	2021	43,042	\$4.85	\$58.24	\$208,880	\$2,506,563
3.00%	2022	43,042	\$5.00	\$59.98	\$215,147	\$2,581,760
3.00%	2023	43,042	\$5.15	\$61.78	\$221,601	\$2,659,213
3.00%	2024	43,042	\$5.30	\$63.64	\$228,249	\$2,738,989
3.00%	2025	43,042	\$5.46	\$65.54	\$235,097	\$2,821,159
3.00%	2026	43,042	\$5.63	\$67.51	\$242,149	\$2,905,794
3.00%	2027	43,042	\$5.79	\$69.54	\$249,414	\$2,992,968
3.00%	2028	43,042	\$5.97	\$71.62	\$256,896	\$3,082,757
3.00%	2029	43,042	\$6.15	\$73.77	\$264,603	\$3,175,239
3.00%	2030	43,042	\$6.33	\$75.98	\$272,541	\$3,270,496
3.00%	2031	43,042	\$6.52	\$78.26	\$280,718	\$3,368,611
3.00%	2032	43,042	\$6.72	\$80.61	\$289,139	\$3,469,670
3.00%	2033	43,042	\$6.92	\$83.03	\$297,813	\$3,573,760
3.00%	2034	43,042	\$7.13	\$85.52	\$306,748	\$3,680,973
3.00%	2035	43,042	\$7.34	\$88.09	\$315,950	\$3,791,402
3.00%	2036	43,042	\$7.56	\$90.73	\$325,429	\$3,905,144
3.00%	2037	43,042	\$7.79	\$93.45	\$335,192	\$4,022,298
3.00%	2038	43,042	\$8.02	\$96.25	\$345,247	\$4,142,967
3.00%	2039	43,042	\$8.26	\$99.14	\$355,605	\$4,267,256
3.00%	2040	43,042	\$8.51	\$102.12	\$366,273	\$4,395,274
3.00%	2041	43,042	\$8.76	\$105.18	\$377,261	\$4,527,132
3.00%	2042	43,042	\$9.03	\$108.33	\$388,579	\$4,662,946
<b>Total Lease Costs 2007-2056</b>						<b>\$ 104,865,001</b>
<b>Total - Net Present Value</b>						<b>\$57,927,142</b>

**Notes:**

- Existing lease is class "A" all inclusive.
- Costs are based on the existing contract, assume contract will be renew with the same terms and conditions.

**Table A-10**  
**Economic Analysis—30-Year Period**  
**Alternative 2: Additional Lease at Existing Site**

Term of the Analysis: 2007-2042 CPI Rate: 3.0%  
Estimated rentable lease space for the 30 year term: 8,081 Annual Inflation Rate: 3.0%

Year	CPI increase	Rentable Sq. Ft.	Avg rent/sf/mo	Avg rent/sf/yr	Monthly	Annual	Tenant Improvements		
							Cost per Sq. Ft.	Rentable Sq. Ft.	Total Cost
2007	0%	8,081	3.26	39.12	\$26,344	\$316,129	\$105	8,081	\$848,505
2008	3%	8,081	3.36	40.29	\$27,134	\$325,613			
2009	3%	8,081	3.46	41.50	\$27,948	\$335,381			
2010	3%	8,081	3.56	42.75	\$28,787	\$345,442			
2011	3%	8,081	3.67	44.03	\$29,650	\$355,806			
2012	3%	8,081	3.78	45.35	\$30,540	\$366,480			
2013	3%	8,081	3.89	46.71	\$31,456	\$377,474			
2014	3%	8,081	4.01	48.11	\$32,400	\$388,798			
2015	3%	8,081	4.13	49.56	\$33,372	\$400,462			
2016	3%	8,081	4.25	51.04	\$34,373	\$412,476			
2017	3%	8,081	4.38	52.57	\$35,404	\$424,851			
2018	3%	8,081	4.51	54.15	\$36,466	\$437,596			
2019	3%	8,081	4.65	55.78	\$37,560	\$450,724			
2020	3%	8,081	4.79	57.45	\$38,687	\$464,246			
2021	3%	8,081	4.93	59.17	\$39,848	\$478,173			
2022	3%	8,081	5.08	60.95	\$41,043	\$492,518			
2023	3%	8,081	5.23	62.78	\$42,274	\$507,294			
2024	3%	8,081	5.39	64.66	\$43,543	\$522,513			
2025	3%	8,081	5.55	66.60	\$44,849	\$538,188			
2026	3%	8,081	5.72	68.60	\$46,194	\$554,334			
2027	3%	8,081	5.89	70.66	\$47,580	\$570,964			
2028	3%	8,081	6.06	72.77	\$49,008	\$588,093			
2029	3%	8,081	6.25	74.96	\$50,478	\$605,735			
2030	3%	8,081	6.43	77.21	\$51,992	\$623,907			
2031	3%	8,081	6.63	79.52	\$53,552	\$642,625			
2032	3%	8,081	6.83	81.91	\$55,159	\$661,903			
2033	3%	8,081	7.03	84.37	\$56,813	\$681,760			
2034	3%	8,081	7.24	86.90	\$58,518	\$702,213			
2035	3%	8,081	7.46	89.50	\$60,273	\$723,280			
2036	3%	8,081	7.68	92.19	\$62,082	\$744,978			
2037	3%	8,081	7.91	94.95	\$63,944	\$767,327			
2038	3%	8,081	8.15	97.80	\$65,862	\$790,347			
2039	3%	8,081	8.39	100.74	\$67,838	\$814,058			
2040	3%	8,081	8.65	103.76	\$69,873	\$838,479			
2041	3%	8,081	8.91	106.87	\$71,969	\$863,634			
2042	3%	8,081	9.17	110.08	\$74,129	\$889,543			
<b>Subtotal</b>						<b>\$20,003,343</b>			<b>\$848,505</b>
<b>Total - New lease + tenant improvement costs</b>						<b>\$20,851,848</b>			
NPV - Subtotal						\$11,049,159			\$823,791
<b>Net Present Value</b>						<b>\$11,872,950</b>			

Notes:

1. Tenant improvements were estimated at \$150 sq.ft. with an allowance of \$45 sq.ft. for a total cost \$105 sq.ft.
2. New lease is Class "A" all costs inclusive.

**Table A-11**  
**Economic Analysis—30-Year Period**  
**Alternative 3: Lease an Alternative Site**

Term of the Analysis: 2007-2042		CPI Rate: 3.0%						
Estimated total lease space for the 30 year term: 51,123 RSF		Annual Inflation Rate: 3.0%						
							Tenant Improvements	
Year	CPI	Rentable Sq. Ft.	Avg rent/sf/mo	Avg rent/sf/yr	Monthly	Annual	Cost per Sq. Ft.	Total Cost
2007	0%	51,123	3.26	39.12	\$166,661	\$1,999,932	\$105	\$5,367,915
2008	3%	51,123	3.36	40.29	\$171,661	\$2,059,930		
2009	3%	51,123	3.46	41.50	\$176,811	\$2,121,728		
2010	3%	51,123	3.56	42.75	\$182,115	\$2,185,379		
2011	3%	51,123	3.67	44.03	\$187,578	\$2,250,941		
2012	3%	51,123	3.78	45.35	\$193,206	\$2,318,469		
2013	3%	51,123	3.89	46.71	\$199,002	\$2,388,023		
2014	3%	51,123	4.01	48.11	\$204,972	\$2,459,664		
2015	3%	51,123	4.13	49.56	\$211,121	\$2,533,454		
2016	3%	51,123	4.25	51.04	\$217,455	\$2,609,457		
2017	3%	51,123	4.38	52.57	\$223,978	\$2,687,741		
2018	3%	51,123	4.51	54.15	\$230,698	\$2,768,373		
2019	3%	51,123	4.65	55.78	\$237,619	\$2,851,424		
2020	3%	51,123	4.79	57.45	\$244,747	\$2,936,967		
2021	3%	51,123	4.93	59.17	\$252,090	\$3,025,076		
2022	3%	51,123	5.08	60.95	\$259,652	\$3,115,829		
2023	3%	51,123	5.23	62.78	\$267,442	\$3,209,303		
2024	3%	51,123	5.39	64.66	\$275,465	\$3,305,582		
2025	3%	51,123	5.55	66.60	\$283,729	\$3,404,750		
2026	3%	51,123	5.72	68.60	\$292,241	\$3,506,892		
2027	3%	51,123	5.89	70.66	\$301,008	\$3,612,099		
2028	3%	51,123	6.06	72.77	\$310,039	\$3,720,462		
2029	3%	51,123	6.25	74.96	\$319,340	\$3,832,076		
2030	3%	51,123	6.43	77.21	\$328,920	\$3,947,038		
2031	3%	51,123	6.63	79.52	\$338,787	\$4,065,449		
2032	3%	51,123	6.83	81.91	\$348,951	\$4,187,413		
2033	3%	51,123	7.03	84.37	\$359,420	\$4,313,035		
2034	3%	51,123	7.24	86.90	\$370,202	\$4,442,426		
2035	3%	51,123	7.46	89.50	\$381,308	\$4,575,699		
2036	3%	51,123	7.68	92.19	\$392,748	\$4,712,970		
2037	3%	51,123	7.91	94.95	\$404,530	\$4,854,359		
2038	3%	51,123	8.15	97.80	\$416,666	\$4,999,990		
2039	3%	51,123	8.39	100.74	\$429,166	\$5,149,990		
2040	3%	51,123	8.65	103.76	\$442,041	\$5,304,489		
2041	3%	51,123	8.91	106.87	\$455,302	\$5,463,624		
2042	3%	51,123	9.17	110.08	\$468,961	\$5,627,533		
Subtotal						\$126,547,571		\$5,367,915
<b>Total - New lease + tenant improvement costs</b>						<b>\$131,915,486</b>		
NPV - Subtotals						\$69,900,528		\$5,211,568
<b>Total Net Present Value</b>						<b>\$75,112,095</b>		

**Notes:**

1. Tenant improvements were estimated at \$150 sq.ft. with an allowance of \$45 sq.ft. for a total cost \$105 sq.ft.
2. New lease is Class "A" all costs inclusive.

**Table A-12**  
**Economic Analysis—30-Year Period**  
**Alternative 4: Developer-Financed Lease-Purchase of a New Facility**

Estimated Project Cost: \$60,667,200		Total BGSF:	66,460
Term of the Contract: 30 Years		Interest Rate:	7.0%
		Inflation Rate:	3.0%
	Monthly Payment	Cost by Year	
2007	\$0	\$0	
2008	\$0	\$0	
2009	\$0	\$0	
2010	\$0	\$0	
<b>2011</b>	\$0	\$0	
2012	\$403,620.40	\$4,036,204	
2013	\$403,620.40	\$4,843,445	
2014	\$403,620.40	\$4,843,445	
2015	\$403,620.40	\$4,843,445	
<b>2016</b>	\$403,620.40	\$4,843,445	
2017	\$403,620.40	\$4,843,445	
2018	\$403,620.40	\$4,843,445	
2019	\$403,620.40	\$4,843,445	
2020	\$403,620.40	\$4,843,445	
<b>2021</b>	\$403,620.40	\$4,843,445	
2022	\$403,620.40	\$4,843,445	
2023	\$403,620.40	\$4,843,445	
2024	\$403,620.40	\$4,843,445	
2025	\$403,620.40	\$4,843,445	
<b>2026</b>	\$403,620.40	\$4,843,445	
2027	\$403,620.40	\$4,843,445	
2028	\$403,620.40	\$4,843,445	
2029	\$403,620.40	\$4,843,445	
2030	\$403,620.40	\$4,843,445	
<b>2031</b>	\$403,620.40	\$4,843,445	
2032	\$403,620.40	\$4,843,445	
2033	\$403,620.40	\$4,843,445	
2034	\$403,620.40	\$4,843,445	
2035	\$403,620.40	\$4,843,445	
<b>2036</b>	\$403,620.40	\$4,843,445	
2037	\$403,620.40	\$4,843,445	
2038	\$403,620.40	\$4,843,445	
2039	\$403,620.40	\$4,843,445	
2040	\$403,620.40	\$4,843,445	
<b>2041</b>	\$403,620.40	\$4,843,445	
2042	\$403,620.40	\$807,241	
Subtotal		\$145,303,344	
<b>Total Project Cost</b>			<b>\$145,303,344</b>
NPV Subtotal		\$81,493,078	
<b>Total - Net Present Value</b>			<b>\$81,493,078</b>

**Table A-13**  
**Economic Analysis—30-Year Period**  
**Alternative 5: Lease Revenue Bond Financing**

Estimated Project Cost (General Funds): \$20,127,000		Total BGSF:	66,460
Estimated Project Cost (Bond Funds): \$51,781,000		Interest Rate:	5.25%
Term of the Contract: 25 Years		Inflation Rate:	3.0%
	Monthly Payment	Cost by Year	
2007	\$0	\$14,052,000	
2008	\$0	\$1,575,000	
2009	\$0	\$0	
2010	\$0	\$0	
<b>2011</b>	\$0	\$0	
2012	\$310,296.46	\$3,102,965	
2013	\$310,296.46	\$3,723,558	
2014	\$310,296.46	\$3,723,558	
2015	\$310,296.46	\$3,723,558	
<b>2016</b>	\$310,296.46	\$3,723,558	
2017	\$310,296.46	\$3,723,558	
2018	\$310,296.46	\$3,723,558	
2019	\$310,296.46	\$3,723,558	
2020	\$310,296.46	\$3,723,558	
<b>2021</b>	\$310,296.46	\$3,723,558	
2022	\$310,296.46	\$3,723,558	
2023	\$310,296.46	\$3,723,558	
2024	\$310,296.46	\$3,723,558	
2025	\$310,296.46	\$3,723,558	
<b>2026</b>	\$310,296.46	\$3,723,558	
2027	\$310,296.46	\$3,723,558	
2028	\$310,296.46	\$3,723,558	
2029	\$310,296.46	\$3,723,558	
2030	\$310,296.46	\$3,723,558	
<b>2031</b>	\$310,296.46	\$3,723,558	
2032	\$310,296.46	\$3,723,558	
2033	\$310,296.46	\$3,723,558	
2034	\$310,296.46	\$3,723,558	
2035	\$310,296.46	\$3,723,558	
<b>2036</b>	\$310,296.46	\$3,723,558	
2037	\$310,296.46	\$620,593	
Subtotal		\$108,715,938	
<b>Total Project Cost</b>		<b>\$108,715,938</b>	
NPV Subtotal		\$70,786,367	
<b>Total - Net Present Value</b>		<b>\$70,786,367</b>	

**Table A-14**  
**Parking Cost Offset—General Fund Financing**

Term of the Analysis: 2007-2042					Escalation Rate: 1.0%		
As applied to project fully funded through General Fund					Annual Inflation Rate: 3.0%		
Year	CPI	Rentable Spaces	Avg rent/space	Monthly Income	Annual Income	Parking Total Cost	
2007	0.0%	-	180.50	\$0	\$0	\$0	
2008	1.0%	-	182.31	\$0	\$0	\$0	
2009	1.0%	-	184.13	\$0	\$0	\$6,800,000	
2010	1.0%	-	185.97	\$0	\$0	\$0	
2011	1.0%	-	187.83	\$0	\$0	\$0	
2012	1.0%	84	189.71	\$15,935	\$191,225	\$0	
2013	1.0%	84	191.60	\$16,095	\$193,137	\$0	
2014	1.0%	84	193.52	\$16,256	\$195,069	\$0	
2015	1.0%	84	195.46	\$16,418	\$197,019	\$0	
2016	1.0%	84	197.41	\$16,582	\$198,989	\$0	
2017	1.0%	84	199.38	\$16,748	\$200,979	\$0	
2018	1.0%	84	201.38	\$16,916	\$202,989	\$0	
2019	1.0%	84	203.39	\$17,085	\$205,019	\$0	
2020	1.0%	84	205.43	\$17,256	\$207,069	\$0	
2021	1.0%	84	207.48	\$17,428	\$209,140	\$0	
2022	1.0%	84	209.55	\$17,603	\$211,231	\$0	
2023	1.0%	84	211.65	\$17,779	\$213,344	\$0	
2024	1.0%	84	213.77	\$17,956	\$215,477	\$0	
2025	1.0%	84	215.90	\$18,136	\$217,632	\$0	
2026	1.0%	84	218.06	\$18,317	\$219,808	\$0	
2027	1.0%	84	220.24	\$18,501	\$222,006	\$0	
2028	1.0%	84	222.45	\$18,686	\$224,226	\$0	
2029	1.0%	84	224.67	\$18,872	\$226,469	\$0	
2030	1.0%	84	226.92	\$19,061	\$228,733	\$0	
2031	1.0%	84	229.19	\$19,252	\$231,021	\$0	
2032	1.0%	84	231.48	\$19,444	\$233,331	\$0	
2033	1.0%	84	233.79	\$19,639	\$235,664	\$0	
2034	1.0%	84	236.13	\$19,835	\$238,021	\$0	
2035	1.0%	84	238.49	\$20,033	\$240,401	\$0	
2036	1.0%	84	240.88	\$20,234	\$242,805	\$0	
2037	1.0%	84	243.29	\$20,436	\$245,233	\$0	
2038	1.0%	84	245.72	\$20,640	\$247,685	\$0	
2039	1.0%	84	248.18	\$20,847	\$250,162	\$0	
2040	1.0%	84	250.66	\$21,055	\$252,664	\$0	
2041	1.0%	84	253.17	\$21,266	\$255,190	\$0	
2042	1.0%	84	255.70	\$21,479	\$257,742	\$0	
Subtotal					\$6,909,482	\$6,800,000	
<b>Total - Potential Parking Income and Cost</b>					<b>\$6,909,482</b>	<b>\$6,800,000</b>	
<b>Total - Potential Savings or Cost</b>					<b>\$109,482</b>		

Notes:

1. 2007 parking rate of \$180.50 is an average of parking cost options at the existing building.

**Table A-15**  
**Parking Cost Offset—Lease Revenue Bond Financing**

Term of the Analysis: 2007-2042						Escalation Rate: 1.0%	
As applied to project funded through General Fund & Lease Revenue Bonds						Annual Inflation Rate: 3.0%	
Year	CPI	Rentable Spaces	Avg rent/space	Monthly Income	Annual Income	Monthly Payment	Cost by Year
2007	0.0%	-	180.50	\$0	\$0	\$0	\$0
2008	1.0%	-	182.31	\$0	\$0	\$0	\$0
2009	1.0%	-	184.13	\$0	\$0	\$0	\$0
2010	1.0%	-	185.97	\$0	\$0	\$0	\$0
2011	1.0%	-	187.83	\$0	\$0	\$0	\$0
2012	1.0%	84	189.71	\$15,935	\$191,225	\$39,752	\$477,025
2013	1.0%	84	191.60	\$16,095	\$193,137	\$39,752	\$477,025
2014	1.0%	84	193.52	\$16,256	\$195,069	\$39,752	\$477,025
2015	1.0%	84	195.46	\$16,418	\$197,019	\$39,752	\$477,025
2016	1.0%	84	197.41	\$16,582	\$198,989	\$39,752	\$477,025
2017	1.0%	84	199.38	\$16,748	\$200,979	\$39,752	\$477,025
2018	1.0%	84	201.38	\$16,916	\$202,989	\$39,752	\$477,025
2019	1.0%	84	203.39	\$17,085	\$205,019	\$39,752	\$477,025
2020	1.0%	84	205.43	\$17,256	\$207,069	\$39,752	\$477,025
2021	1.0%	84	207.48	\$17,428	\$209,140	\$39,752	\$477,025
2022	1.0%	84	209.55	\$17,603	\$211,231	\$39,752	\$477,025
2023	1.0%	84	211.65	\$17,779	\$213,344	\$39,752	\$477,025
2024	1.0%	84	213.77	\$17,956	\$215,477	\$39,752	\$477,025
2025	1.0%	84	215.90	\$18,136	\$217,632	\$39,752	\$477,025
2026	1.0%	84	218.06	\$18,317	\$219,808	\$39,752	\$477,025
2027	1.0%	84	220.24	\$18,501	\$222,006	\$39,752	\$477,025
2028	1.0%	84	222.45	\$18,686	\$224,226	\$39,752	\$477,025
2029	1.0%	84	224.67	\$18,872	\$226,469	\$39,752	\$477,025
2030	1.0%	84	226.92	\$19,061	\$228,733	\$39,752	\$477,025
2031	1.0%	84	229.19	\$19,252	\$231,021	\$39,752	\$477,025
2032	1.0%	84	231.48	\$19,444	\$233,331	\$39,752	\$477,025
2033	1.0%	84	233.79	\$19,639	\$235,664	\$39,752	\$477,025
2034	1.0%	84	236.13	\$19,835	\$238,021	\$39,752	\$477,025
2035	1.0%	84	238.49	\$20,033	\$240,401	\$39,752	\$477,025
2036	1.0%	84	240.88	\$20,234	\$242,805	\$39,752	\$477,025
2037	1.0%	84	243.29	\$20,436	\$245,233		
2038	1.0%	84	245.72	\$20,640	\$247,685		
2039	1.0%	84	248.18	\$20,847	\$250,162		
2040	1.0%	84	250.66	\$21,055	\$252,664		
2041	1.0%	84	253.17	\$21,266	\$255,190		
2042	1.0%	84	255.70	\$21,479	\$257,742		
Subtotal					\$6,909,482		\$11,925,636
<b>Total - Potential Parking Income and Cost</b>					<b>\$6,909,482</b>		<b>\$11,925,636</b>
<b>Total - Potential Savings or Cost</b>					<b>-\$5,016,154</b>		

Notes:

1. 2007 parking rate of \$180.50 is an average of parking cost options at the existing building.

**Table A-16  
Parking Amortization—25-Year Term Calculation**

Loan Amount: \$ 6,800,000

Term of the Loan: 25 years

Interest Rate: 5 %

Monthly mortgage payments: \$ 39,752.12

Total interest paid over the life of the loan: \$ 5,125,637.16

<b>Year</b>	<b>Loan Balance</b>	<b>Yearly Interest Paid</b>	<b>Yearly Principal Paid</b>	<b>Total Interest</b>
2012	6,671,743.53	309,016.89	128,256.47	309,016.89
2013	6,524,972.02	330,253.98	146,771.51	639,270.87
2014	6,370,691.41	322,744.87	154,280.61	962,015.75
2015	6,208,517.51	314,851.58	162,173.90	1,276,867.33
2016	6,038,046.48	306,554.46	170,471.03	1,583,421.78
2017	5,858,853.83	297,832.84	179,192.65	1,881,254.62
2018	5,670,493.34	288,665.00	188,360.49	2,169,919.62
2019	5,472,495.97	279,028.12	197,997.37	2,448,947.74
2020	5,264,368.68	268,898.20	208,127.29	2,717,845.93
2021	5,045,593.20	258,250.01	218,775.48	2,976,095.94
2022	4,815,624.75	247,057.04	229,968.45	3,223,152.98
2023	4,573,890.68	235,291.42	241,734.07	3,458,444.40
2024	4,319,789.04	222,923.84	254,101.64	3,681,368.24
2025	4,052,687.07	209,923.52	267,101.97	3,891,291.76
2026	3,771,919.66	196,258.07	280,767.41	4,087,549.83
2027	3,476,787.66	181,893.48	295,132.01	4,269,443.31
2028	3,166,556.14	166,793.97	310,231.52	4,436,237.28
2029	2,840,452.58	150,921.93	326,103.55	4,587,159.21
2030	2,497,664.95	134,237.85	342,787.63	4,721,397.06
2031	2,137,339.65	116,700.19	360,325.30	4,838,097.25
2032	1,758,579.42	98,265.26	378,760.23	4,936,362.51
2033	1,360,441.10	78,887.17	398,138.32	5,015,249.68
2034	941,933.27	58,517.65	418,507.83	5,073,767.33
2035	502,013.78	37,106.00	439,919.49	5,110,873.33
2036	39,587.18	14,598.88	462,426.61	5,125,472.21
2037	0.00	164.95	39,587.18	5,125,637.16